

1 AN ACT concerning State government.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The State Employees Group Insurance Act of 1971
5 is amended by changing Section 8 as follows:

6 (5 ILCS 375/8) (from Ch. 127, par. 528)

7 Sec. 8. Eligibility.

8 (a) Each member eligible under the provisions of this Act
9 and any rules and regulations promulgated and adopted hereunder
10 by the Director shall become immediately eligible and covered
11 for all benefits available under the programs. Members electing
12 coverage for eligible dependents shall have the coverage
13 effective immediately, provided that the election is properly
14 filed in accordance with required filing dates and procedures
15 specified by the Director.

16 (1) Every member originally eligible to elect
17 dependent coverage, but not electing it during the original
18 eligibility period, may subsequently obtain dependent
19 coverage only in the event of a qualifying change in
20 status, special enrollment, special circumstance as
21 defined by the Director, or during the annual Benefit
22 Choice Period.

23 (2) Members described above being transferred from
24 previous coverage towards which the State has been
25 contributing shall be transferred regardless of
26 preexisting conditions, waiting periods, or other
27 requirements that might jeopardize claim payments to which
28 they would otherwise have been entitled.

29 (3) Eligible and covered members that are eligible for
30 coverage as dependents except for the fact of being members
31 shall be transferred to, and covered under, dependent
32 status regardless of preexisting conditions, waiting

1 periods, or other requirements that might jeopardize claim
2 payments to which they would otherwise have been entitled
3 upon cessation of member status and the election of
4 dependent coverage by a member eligible to elect that
5 coverage.

6 (b) New employees shall be immediately insured for the
7 basic group life insurance and covered by the program of health
8 benefits on the first day of active State service. Optional
9 coverages or benefits, if elected during the relevant
10 eligibility period, will become effective on the date of
11 employment. Optional coverages or benefits applied for after
12 the eligibility period will be effective, subject to
13 satisfactory evidence of insurability when applicable, or
14 other necessary qualifications, pursuant to the requirements
15 of the applicable benefit program, unless there is a change in
16 status that would confer new eligibility for change of
17 enrollment under rules established supplementing this Act, in
18 which event application must be made within the new eligibility
19 period.

20 (c) As to the group health benefits program contracted to
21 begin or continue after June 30, 1973, each retired employee
22 shall become immediately eligible and covered for all benefits
23 available under that program. Retired employees may elect
24 coverage for eligible dependents and shall have the coverage
25 effective immediately, provided that the election is properly
26 filed in accordance with required filing dates and procedures
27 specified by the Director.

28 Except as otherwise provided in this Act, where husband and
29 wife are both eligible members, each shall be enrolled as a
30 member and coverage on their eligible dependent children, if
31 any, may be under the enrollment and election of either.

32 Regardless of other provisions herein regarding late
33 enrollment or other qualifications, as appropriate, the
34 Director may periodically authorize open enrollment periods
35 for each of the benefit programs at which time each member may
36 elect enrollment or change of enrollment without regard to age,

1 sex, health, or other qualification under the conditions as may
2 be prescribed in rules and regulations supplementing this Act.
3 Special open enrollment periods may be declared by the Director
4 for certain members only when special circumstances occur that
5 affect only those members.

6 (d) Beginning with fiscal year 2003 and for all subsequent
7 years, eligible members may elect not to participate in the
8 program of health benefits as defined in this Act. The election
9 must be made during the annual benefit choice period, subject
10 to the conditions in this subsection.

11 (1) Members must furnish proof of health benefit
12 coverage, either comprehensive major medical coverage or
13 comprehensive managed care plan, from a source other than
14 the Department of Central Management Services in order to
15 elect not to participate in the program.

16 (2) Members may re-enroll in the Department of Central
17 Management Services program of health benefits upon
18 showing a qualifying change in status, as defined in the
19 U.S. Internal Revenue Code, without evidence of
20 insurability and with no limitations on coverage for
21 pre-existing conditions, provided that there was not a
22 break in coverage of more than 63 days.

23 (3) Members may also re-enroll in the program of health
24 benefits during any annual benefit choice period, without
25 evidence of insurability.

26 (4) Members who elect not to participate in the program
27 of health benefits shall be furnished a written explanation
28 of the requirements and limitations for the election not to
29 participate in the program and for re-enrolling in the
30 program. The explanation shall also be included in the
31 annual benefit choice options booklets furnished to
32 members.

33 (d-5) Beginning July 1, 2005, the Director may establish a
34 program of financial incentives to encourage annuitants
35 receiving a retirement annuity from the State Employees
36 Retirement System, but who are not eligible for benefits under

1 the federal Medicare health insurance program (Title XVIII of
2 the Social Security Act, as added by Public Law 89-97) to elect
3 not to participate in the program of health benefits provided
4 under this Act. The election by an annuitant not to participate
5 under this program must be made in accordance with the
6 requirements set forth under subsection (d). The financial
7 incentives provided to these annuitants under the program may
8 not exceed \$150 per month for each annuitant electing not to
9 participate in the program of health benefits provided under
10 this Act.

11 (e) Notwithstanding any other provision of this Act or the
12 rules adopted under this Act, if a person participating in the
13 program of health benefits as the dependent spouse of an
14 eligible member becomes an annuitant, the person may elect, at
15 the time of becoming an annuitant or during any subsequent
16 annual benefit choice period, to continue participation as a
17 dependent rather than as an eligible member for as long as the
18 person continues to be an eligible dependent.

19 An eligible member who has elected to participate as a
20 dependent may re-enroll in the program of health benefits as an
21 eligible member (i) during any subsequent annual benefit choice
22 period or (ii) upon showing a qualifying change in status, as
23 defined in the U.S. Internal Revenue Code, without evidence of
24 insurability and with no limitations on coverage for
25 pre-existing conditions.

26 A person who elects to participate in the program of health
27 benefits as a dependent rather than as an eligible member shall
28 be furnished a written explanation of the consequences of
29 electing to participate as a dependent and the conditions and
30 procedures for re-enrolling as an eligible member. The
31 explanation shall also be included in the annual benefit choice
32 options booklet furnished to members.

33 (Source: P.A. 92-600, eff. 6-28-02; 93-553, eff. 8-20-03.)

34 Section 10. The Illinois Pension Code is amended by adding
35 Section 14-108.6 as follows:

1 (40 ILCS 5/14-108.6 new)

2 Sec. 14-108.6. Alternative retirement cancellation
3 payment.

4 (a) To be eligible for the alternative retirement
5 cancellation payment provided in this Section, a person must:

6 (1) be a member of this System who, as of July 1, 2005,
7 was (i) in active payroll status as an employee in a
8 position listed in subsection (b) of this Section and
9 continuously employed in a position listed in subsection
10 (b) on and after January 1, 2005 and (ii) an active
11 contributor to this System with respect to that employment;

12 (2) have not previously received any retirement
13 annuity under this Article;

14 (3) in the case of persons employed in a position title
15 listed under paragraph (1) of subsection (b), be among the
16 first 500 persons to file with the Board on or before
17 September 30, 2005 a written application requesting the
18 alternative retirement cancellation payment provided in
19 this Section;

20 (4) in the case of persons employed in a position title
21 listed under paragraph (2) of subsection (b), have received
22 written authorization from the director or other head of
23 his or her department and filed that authorization with the
24 system on or before September 1, 2005;

25 (5) if there is a QILDRO in effect against the person,
26 file with the Board the written consent of all alternate
27 payees under the QILDRO to the election of an alternative
28 retirement cancellation payment under this Section; and

29 (6) terminate employment under this Article within one
30 month after approval of the person's application
31 requesting the alternative retirement cancellation
32 payment, but in no event later than October 31, 2005.

33 (b)(1) Position titles eligible for the alternative
34 retirement cancellation payment provided in this Section are:

35 911 Analyst III; Brickmason; Account Clerk I and II;

1 Budget Analyst I and II; Account Technician I and II;
2 Budget Operations Director; Accountant; Budget Principal;
3 Accountant Advanced; Building Services Worker; Accountant
4 Supervisor; Building/Grounds Laborer; Accounting Fiscal
5 Administrative Career Trainee; Building/Grounds Lead 1 and
6 2; Accounts Payable Processing Analyst; Building/Grounds
7 Maintenance Worker; Accounts Payable Specialist;
8 Building/Grounds Supervisor; Accounts Processing Analyst;
9 Bureau Chief; Actuarial Assistant; Business Administrative
10 Specialist; Administrative and Technology Director;
11 Business Analyst I through IV; Administrative Assistant I
12 through III; Business Manager; Administrative Clerk;
13 Buyer; Administrative Coordinator; Buyer Assistant;
14 Administrator; Capital Budget Analyst I and II;
15 Administrator of Capital Programs; Capital Budget
16 Director; Administrator of Construction Administration;
17 Capital Programs Analyst I and II; Administrator of
18 Contract Administration; Capital Programs Technician;
19 Administrator of Fair Employment Practices; Carpenter;
20 Administrator of Fiscal; Carpenter Foreman; Administrator
21 of Information Management; Cartographer I through III;
22 Administrator of Information Systems; Chief - Police;
23 Administrator of Personnel; Chief Veterans Technician;
24 Administrator of Professional Services; Circuit
25 Provisioning Specialist; Administrator of Public Affairs;
26 Civil Engineer I through IX; Administrator of
27 Quality-Based Selection; Civil Engineer Trainee;
28 Administrator of Strategic Planning and Training; Clerical
29 Trainee; Appeals & Orders Coordinator; Communications
30 Director; Appraisal Specialist 1 through 3; Community
31 Planner 3; Assignment Coordinator; Commander; Assistant
32 Art-in-Architecture Coordinator; Compliance Specialist;
33 Assistant Chief - Police; Conservation Education
34 Representative; Assistant Internal Auditor; Conservation
35 Grant Administrator 1 through 3; Assistant Manager;
36 Construction Supervisor I and II; Assistant Personnel

1 Officer; Consumer Policy Analyst; Assistant Professor
2 Scientist; Consumer Program Coordinator; Assistant
3 Reimbursement Officer; Contract Executive; Assistant
4 Steward; Coordinator of Administrative Services; Associate
5 Director for Administrative Services; Coordinator of
6 Art-in-Architecture; Associate Museum Director;
7 Corrections Clerk I through III; Associate Professor
8 Scientist; Corrections Maintenance Supervisor; Corrections
9 Caseworker Supervisor; Corrections Food Service
10 Supervisor; Auto Parts Warehouse Specialist; Corrections
11 Maintenance Worker; Auto Parts Warehouse; Curator I
12 through III; Automotive Attendant I and II; Data Processing
13 Administrative Specialist; Automotive Mechanic; Data
14 Processing Assistant; Automotive Shop Supervisor; Data
15 Processing Operator; Baker; Data Processing Specialist;
16 Barber; Data Processing Supervisor 1 through 3;
17 Beautician; Data Processing Technician; Brickmason; Deputy
18 Chief Counsel; Director of Licensing; Desktop Technician;
19 Director of Security; Human Resources Officer; Division
20 Chief; Human Resources Representative; Division Director;
21 Human Resources Specialist; Economic Analyst I through IV;
22 Human Resources Trainee; Electrical Engineer; Human
23 Services Casework Manager; Electrical Engineer I through
24 V; Human Services Grant Coordinator 2 and 3; Electrical
25 Equipment Installer/Repairer; Iconographer; Electrical
26 Equipment Installer/Repairer Lead Worker; Industry and
27 Commercial Development Representative 1 and 2;
28 Electrician; Industry Services Consultant 1 and 2;
29 Electronics Technician; Information Services Intern;
30 Elevator Operator; Information Services Specialist I and
31 II; Endangered Species Secretary; Information Systems
32 Analyst I through III; Engineering Aide; Information
33 Systems Manager; Engineering Analyst I through IV;
34 Information Systems Planner; Engineering Manager I and II;
35 Institutional Maintenance Worker; Engineering Technician I
36 through V; Instrument Designer; Environmental Scientist I

1 and II; Insurance Analyst I through IV; Executive I through
2 VI; Executive Assistant; Intermittent Clerk; Executive
3 Assistant I through IV; Intermittent Laborer Maintenance;
4 Executive Secretary 1 through 3; Intern; Federal Funding
5 and Public Safety Director; Internal Auditor 1; Financial &
6 Budget Assistant; Internal Communications Officer;
7 Financial & Budget Supervisor; International Marketing
8 Representative 1; Financial Management Director; IT
9 Manager; Fiscal Executive; Janitor I and II; Fiscal
10 Officer; Junior State Veterinarian; Gas Engineer I through
11 IV; Junior Supervisor Scientist; General Counsel and
12 Regulatory Director; Laboratory Manager II; General
13 Services Administrator I; Labor Maintenance Lead Worker;
14 General Services Technician; Laborer; Geographic
15 Information Specialist 1 and 2; Laborer (Building);
16 Geologist I through IV; Laborer (Maintenance); Graphic
17 Arts Design Supervisor; Landscape Architect; Graphic Arts
18 Designer; Landscape Architect I through IV; Graphic Arts
19 Technician; Landscape Planner; Grounds Supervisor; Laundry
20 Manager I; Highway Construction Supervisor I; Legislative
21 Liaison I and II; Historical Research Editor 2; Liability
22 Claims Adjuster 1 and 2; Historical Research Specialist;
23 Librarian 1 and 2; Horse Custodian; Library Aide I through
24 III; Horse Identifier; Library Associate; Hourly
25 Assistant; Library Technical Assistant; Human Resource
26 Coordinator; Licensing Assistant; Human Resources Analyst;
27 Line Technician I through II; Human Resources Assistant;
28 Local History Service Representative; Human Resources
29 Associate; Local Housing Advisor 2 and 3; Human Resources
30 Manager; Local Revenue and Fiscal Advisor 3; Machinist;
31 Locksmith; Maintenance Equipment Operator; Operations
32 Communications Specialist Trainee; Maintenance Worker;
33 Operations Technician; Maintenance Worker Power Plant;
34 Painter; Management Information Technician; Paralegal
35 Assistant; Management Operations Analyst 1 and 2;
36 Performance Management Analyst; Management Secretary I;

1 Personnel Manager; Management Systems Specialist;
2 Photogrammetrist I through IV; Management Technician I
3 through IV; Physician; Manager; Physician Specialist
4 Operations A through D; Manpower Planner 1 through 3;
5 Planning Director; Medical Administrator III and V; Plant
6 Maintenance Engineer 1 and 2; Methods & Processes Advisor
7 1, 2 and III; Plumber; Methods & Processes Career Associate
8 1 and 2; Policy Advisor; Microfilm Operator I through III;
9 Policy Analyst I through IV; Military Administrative
10 Assistant I; Power Shovel Operator (Maintenance); Military
11 Administrative Clerk; Principal Economist; Military
12 Administrative Officer-Legal; Principal Scientist;
13 Military Administrative Specialist; Private Secretary 1
14 and 2; Military Community Relations Specialist; Private
15 Secretary I and II; Military Cooperative Agreement
16 Specialist; Procurement Representative; Military Crash,
17 Fire, Rescue I through III; Professor & Scientist; Military
18 Energy Manager; Program Manager; Military Engineer
19 Technician; Program Specialist; Military Environmental
20 Specialist I through III; Project Coordinator; Military
21 Facilities Engineer; Project Designer; Military Facilities
22 Officer I; Project Manager I through III; Military
23 Maintenance Engineer; Project Manager; Military Museum
24 Director; Project Manager/Technical Specialist I thru III;
25 Military Program Supervisor; Project Specialist I through
26 IV; Military Property Custodian II; Projects Director;
27 Military Real Property Clerk; Property & Supply Clerk I
28 through III; Motorist Assistance Specialist; Property
29 Control Officer; Museum Director; Public Administration
30 Intern; Museum Security Head I through III; Public
31 Information Coordinator; Museum Technician I through III;
32 Public Information Officer; Network Control Center
33 Specialist; Public Information Officer 2 through 4;
34 Network Control Center Technician 2; Public Service
35 Administrator; Network Engineer I through IV; Race Track
36 Maintenance 1 and 2; Office Administration Specialist;

1 Radio Technician Program Coordinator; Office Administrator
2 1 through 5; Realty Specialist I through V; Office Aide;
3 Receptionist; Office Assistant; Regional Manager; Office
4 Associate; Regulatory Accountant IV; Office Clerk;
5 Reimbursement Officer 1 and 2; Office Coordinator;
6 Representative I and II; Office Manager; Representative
7 Trainee; Office Occupations Trainee; School Construction
8 Manager; Office Specialist; Secretary I and IV; Operations
9 Communications Specialist I and II; Security Guard; Senior
10 Economic Analyst; Security Supervisor; Senior Editor;
11 Systems Developer I through IV; Senior Electrical
12 Engineer; Systems Developer Trainee; Senior Financial &
13 Budget Assistant; Systems Engineer I through IV; Senior Gas
14 Engineer; Systems Engineer Trainee; Senior Policy Analyst;
15 Tariff & Order Coordinator; Senior Programs Analyst;
16 Tariff Administrator III; Senior Project Consultant;
17 Tariff Analyst IV; Senior Project Manager; Teacher of
18 Barbering; Senior Public Information Officer; Teacher of
19 Beauty Culture; Senior Public Service Administrator;
20 Technical Advisor 2 and 3; Senior Rate Analyst; Technical
21 Advisor I through VII; Senior Technical Assistant;
22 Technical Analyst; Technical Manager I through IX; Senior
23 Technical Supervisor; Technical Assistant; Senior
24 Technology Specialist; Technical Manager 1; Senior
25 Transportation Industry Analyst; Technical Manager I
26 through X; Sewage Plant Operator; Technical Specialist;
27 Sign Hanger; Technical Support Specialist; Sign Hanger
28 Foreman; Technical Specialist I thru III; Sign Painter;
29 Technician Trainee; Sign Shop Foreman; Telecom Systems
30 Analyst; Silk Screen Operator; Telecom Systems Consultant;
31 Senior Administrative Assistant; Telecom Systems
32 Technician 1 and 2; Site Superintendent; Telecommunication
33 Supervisor; Software Architect; Tinsmith; Special
34 Assistant; Trades Tender; Special Assistant to the
35 Executive Director; Training Coordinator; Staff
36 Development Specialist I; Transportation Counsel; Staff

1 Development Technician II; Transportation Industry Analyst
2 III; State Police Captain; Transportation Industry
3 Customer Service; State Police Lieutenant; Transportation
4 Officer; State Police Major; Transportation Policy Analyst
5 III and IV; State Police Master Sergeant; Urban Planner I
6 through VI; Stationary Engineer; Utility Engineer I and II;
7 Stationary Engineer Assistant Chief; Veteran Secretary;
8 Stationary Engineer Chief; Veteran Technician; Stationary
9 Fireman; Water Engineer I through IV; Statistical Research
10 Specialist 1 through 3; Water Plant Operator; Statistical
11 Research Supervisor; Web and Publications Manager;
12 Statistical Research Technician; Steamfitter; Steward;
13 Steward Secretary; Storekeeper I through III; Stores
14 Clerk; Student Intern; Student Worker; Supervisor;
15 Supervisor & Assistant Scientist; Supervisor & Associate
16 Scientist; Switchboard Operator 1 through 3;
17 Administrative Assistant to the Superintendent; Assistant
18 Legal Advisor; Legal Assistant; Senior Human Resources
19 Specialist; Principal Internal Auditor; Division
20 Administrator; Division Supervisor; and Private Secretary
21 I through III.

22 (2) In addition, any position titles with the Speaker
23 of the House of Representatives, the Minority Leader of the
24 House of Representatives, the President of the Senate, the
25 Minority Leader of the Senate, the Attorney General, the
26 Secretary of State, the Comptroller, the Treasurer, the
27 Auditor General, the Supreme Court, the Court of Claims,
28 and each legislative agency are eligible for the
29 alternative retirement cancellation payment provided in
30 this Section.

31 (c) In lieu of any retirement annuity or other benefit
32 provided under this Article, a person who qualifies for and
33 elects to receive the alternative retirement cancellation
34 payment under this Section shall be entitled to receive a
35 one-time lump sum retirement cancellation payment equal to the
36 amount of his or her contributions to the System (including any

1 employee contributions for optional service credit and
2 including any employee contributions paid by the employer or
3 credited to the employee during disability) as of the date of
4 termination, with regular interest, multiplied by 2.

5 (d) Notwithstanding any other provision of this Article, a
6 person who receives an alternative retirement cancellation
7 payment under this Section thereby forfeits the right to any
8 other retirement or disability benefit or refund under this
9 Article, and no widow's, survivor's, or death benefit deriving
10 from that person shall be payable under this Article. Upon
11 accepting an alternative retirement cancellation payment under
12 this Section, the person's creditable service and all other
13 rights in the System are terminated for all purposes, except
14 for the purpose of determining State group life and health
15 benefits for the person and his or her survivors as provided
16 under the State Employees Group Insurance Act of 1971.

17 (e) To the extent permitted by federal law, a person who
18 receives an alternative retirement cancellation payment under
19 this Section may direct the System to pay all or a portion of
20 that payment as a rollover into another retirement plan or
21 account qualified under the Internal Revenue Code of 1986, as
22 amended.

23 (f) Notwithstanding Section 14-111, a person who has
24 received an alternative retirement cancellation payment under
25 this Section and who reenters service under this Article other
26 than as a temporary employee must repay to the System the
27 amount by which that alternative retirement cancellation
28 payment exceeded the amount of his or her refundable employee
29 contributions within 60 days of resuming employment under this
30 System. For the purposes of re-establishing creditable service
31 that was terminated upon election of the alternative retirement
32 cancellation payment, the portion of the alternative
33 retirement cancellation payment representing refundable
34 employee contributions shall be deemed a refund repayable in
35 accordance with Section 14-130.

36 (g) The Commission on Government Forecasting and

1 Accountability shall determine and report to the Governor and
2 the General Assembly, on or before January 1, 2007, its
3 estimate of (1) the annual amount of payroll savings likely to
4 be realized by the State as a result of the early termination
5 of persons receiving the alternative retirement cancellation
6 payment under this Section and (2) the net annual savings or
7 cost to the State from the program of alternative retirement
8 cancellation payments under this Section.

9 The System, the Department of Central Management Services,
10 the Governor's Office of Management and Budget, and all other
11 departments shall provide to the Commission any assistance that
12 the Commission may request with respect to its report under
13 this Section. The Commission may require departments to provide
14 it with any information that it deems necessary or useful with
15 respect to its reports under this Section, including without
16 limitation information about (1) the final earnings of former
17 department employees who elected to receive alternative
18 retirement cancellation payments under this Section, (2) the
19 earnings of current department employees holding the positions
20 vacated by persons who elected to receive alternative
21 retirement cancellation payments under this Section, and (3)
22 positions vacated by persons who elected to receive alternative
23 retirement cancellation payments under this Section that have
24 not yet been refilled.

25 Section 99. Effective date. This Act takes effect July 1,
26 2005.